



May 14, 2003

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**FY2002 FUNCTIONAL SUPPORT COST PEER REVIEW – ARGONNE NATIONAL LABORATORY**

Dear Ms. Markiewicz:

We have reviewed the FY2002 Functional Support Cost Report (FSCR) of the Argonne National Laboratory (ANL). The purpose of the review was to confirm that the data reported by ANL complied with the guidelines and definitions issued by the United States Department of Energy (DOE) and to fulfill a DOE-HQ requirement to have all of the reporting sites independently reviewed on a periodic basis.

**Methodology used by ANL to compile the Functional Support Cost Report**

The methodology reviewed collects prime costs for support activity cost centers. The cost centers are then characterized into functional support cost categories based upon the primary service provided. In limited situations, the Cost Centers are subdivided into more than one functional category. The next step is to collect the prime costs by Assistant Secretary and report these costs as Mission Direct.

**Issues/Concerns during the Peer Review**

In review of the detailed Cost Center Reports, the Team recommends that the following items be adjusted in subsequent Functional Support Cost Reporting:

1. Cost Account Element #426 Data Processing Machine Maintenance should be categorized as Maintenance \$1,348K.
2. Cost Account Element #406 Building Rental should be categorized as Facility Management \$1,994K.
3. Move \$119K from Laboratory/Technical Support to Central Administrative Services. (Cost Center #560 funds Document Control at Argonne West.)

Argonne National Laboratory agrees with the Team's three recommendations above.

In addition, elements that may merit further internal analysis for potential refinements in future reporting are:

1. Examine Cost Center #505 Plant Facilities and Services/Waste Management Operations \$5,104K to determine if this category includes legacy waste disposal costs which may be reclassified as Mission Direct.
2. Examine Cost Account structures to determine if modifications can be made to segregate vehicle leasing costs from Cost Account Element #405 Equipment Rental. Motor Pool costs should be categorized as Logistics.

Argonne National Laboratory agrees with the Team's two recommendations above.

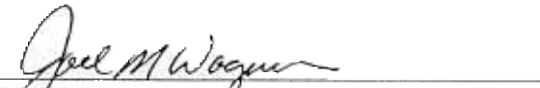
### Accuracy Assessment

The Peer Review Team has concluded that ANL has met the intent of the guidelines and definitions and has achieved a level of accuracy in excess of the minimum required.

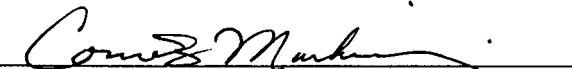
We would like to thank Connie Markiewicz, Darin Wills and Dick Blogg for their help and support. The team felt that the Argonne Functional Support Cost Report was an excellent effort.



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